

6 month perspectives

Regulator Advice Workshop

Cameron Grebe

General Manager Environment

26 July 2012

6 month look back

- Regulatory activities including
 - Assessment and Compliance
 - Spill Assessment
 - Monitoring and Analysis
 - Implementation and Regulatory Guidance

Next Steps

- Annual operating plans
- Opportunities for efficiency and improvement

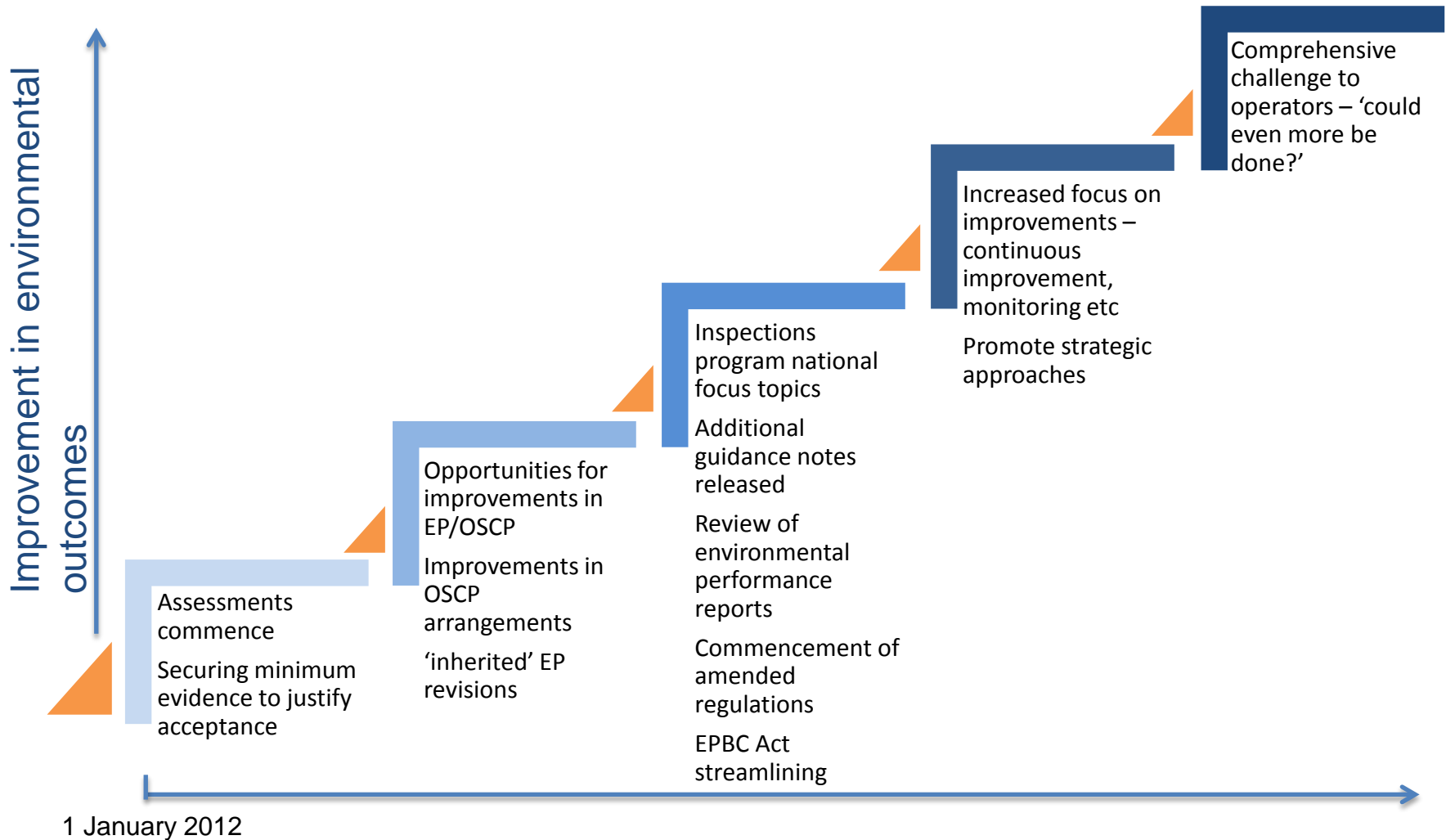
Question and Answer

- Feedback, challenges and opportunities

- To provide operators with an overview of implementation of the environmental management function at NOPSEMA
- To provide an indication of the future direction of NOPSEMA Environmental Management Division
- To provide an opportunity for operators to identify and discuss challenges and opportunities

Regulatory Activity	6 months overview
Assessment	58 submissions received 75 notification letters issued (27 acceptance)
Inspection	2 initial compliance inspections complete New policy issued Offshore compliance inspections underway
Investigation	100% minor incidents reported reviewed Environment Investigator position established
Enforcement	6 enforcements
Operator liaison	70+ liaison meetings (>75% during assessment) 200 operator representatives
Advisory: workshops	>10 workshops, >300 operator representatives
Advisory: publications	17 documents published (policies, guidance etc) 7 environment-focussed articles in <i>The Regulator</i>

An environmentally responsible offshore petroleum industry



Operator 'Myths'	NOPSEMA Reality
No two-way communication in an assessment	<ul style="list-style-type: none"> • Operator liaison meetings • As needed contact with Manager (BEWARE: phoning assessor takes time away from the assessment)
One or two strikes and you're out	<ul style="list-style-type: none"> • Reasonable opportunity – two resubmissions • Then new submission • Amend Policy & letters to clarify
Approvals are taking 3 to 6 months	<ul style="list-style-type: none"> • Submission to acceptance <1 to ~3.5 months • 75% less than 2 months
NOPSEMA looks at new/different areas of the plan each time	<p>Assessment is BOTH a:</p> <ul style="list-style-type: none"> • General assessment of all requirements <p style="text-align: center;">And</p> <ul style="list-style-type: none"> • 'Horizontal' assessment across a sampling of 1-3 key risk areas

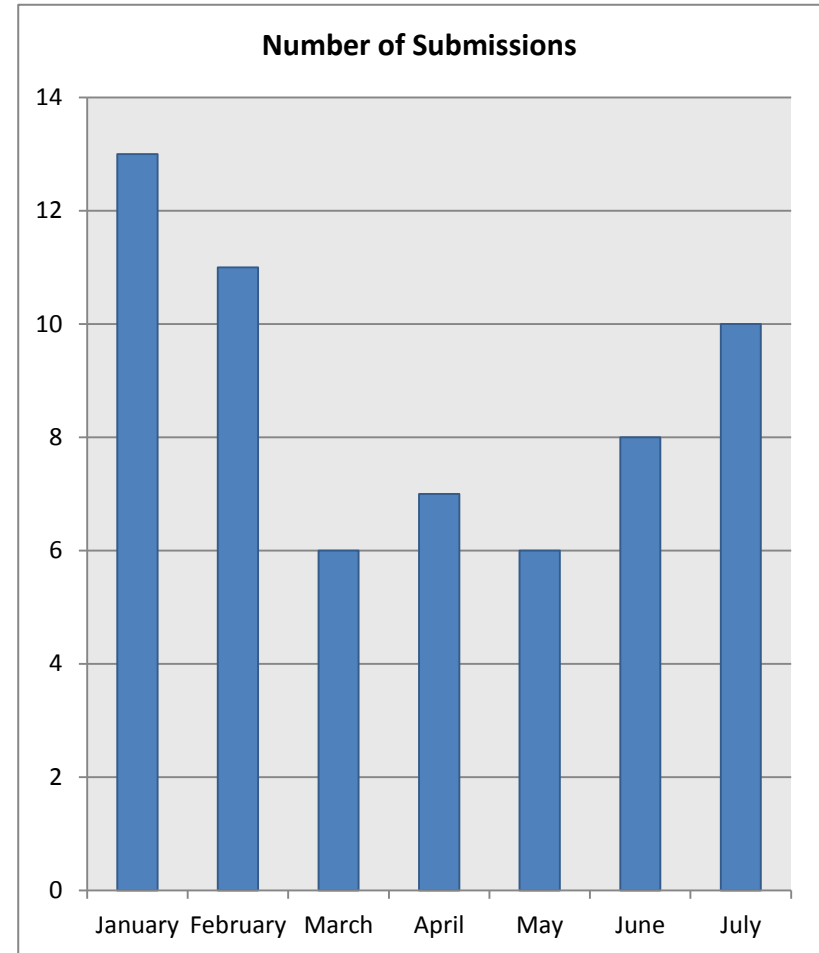
Assessment and Compliance

Alice Turnbull

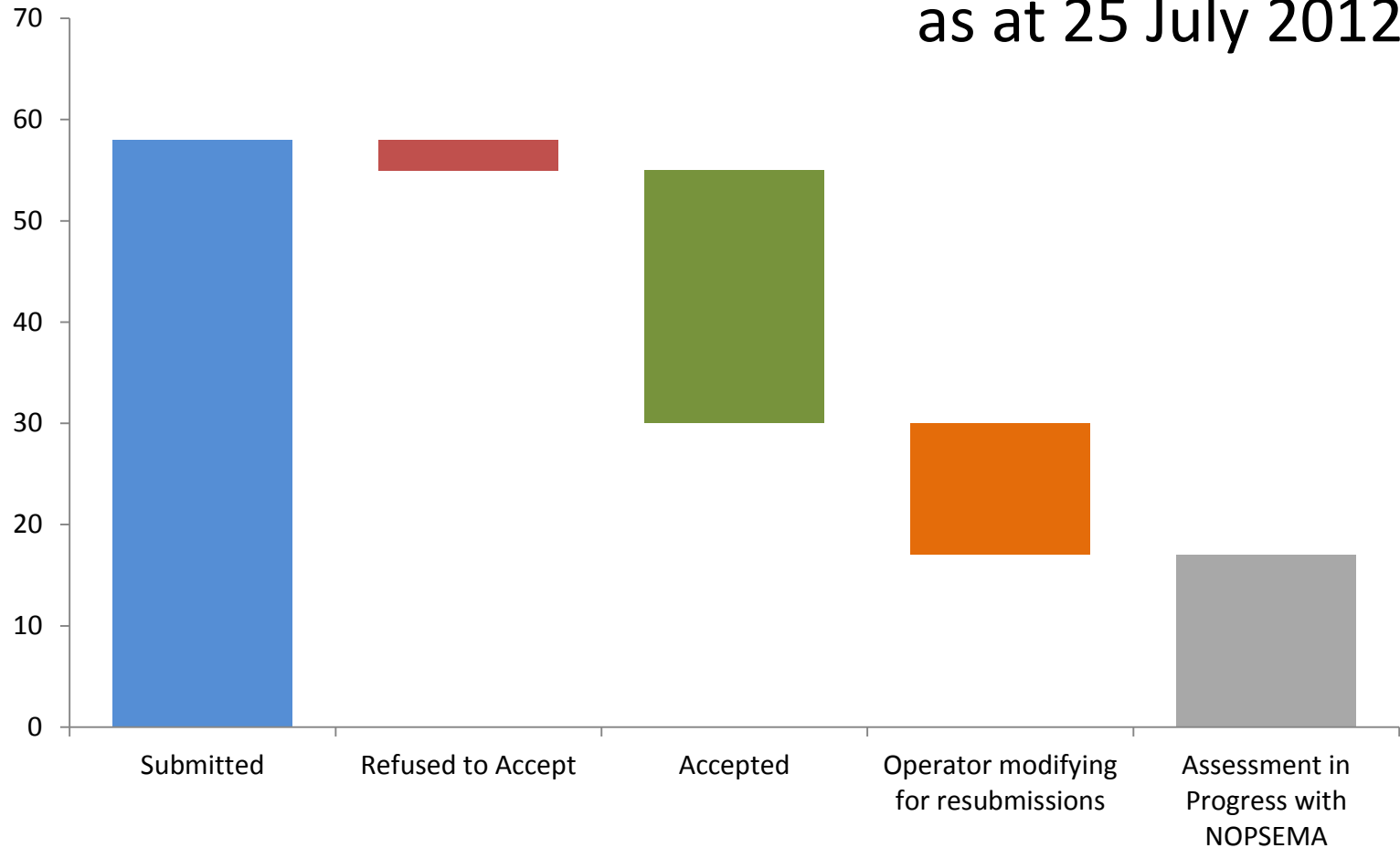
Environment Specialist – Assessment & Compliance

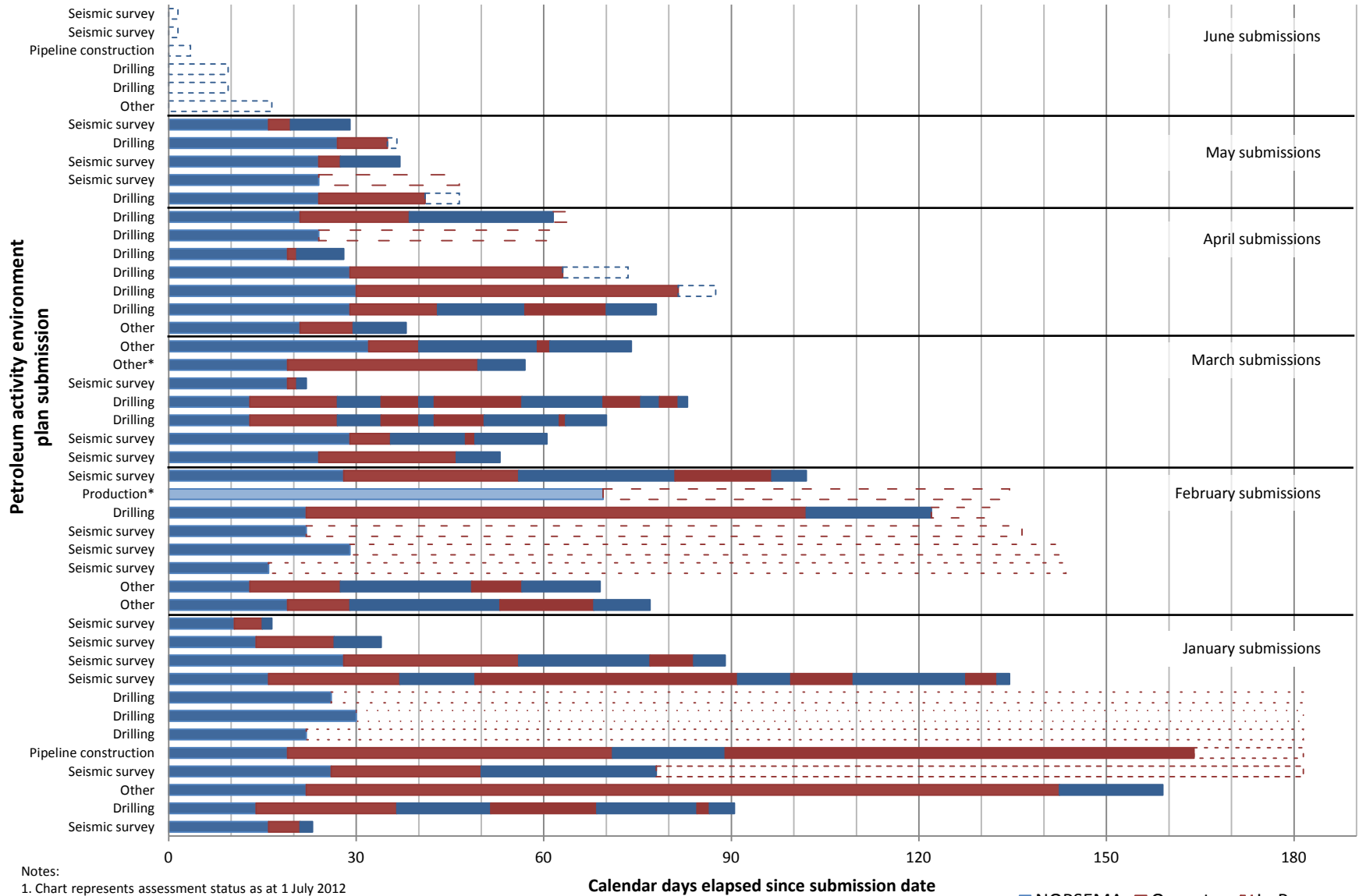
Submissions and Assessment Status

Total submissions received	58
Including those transferred from Designated Authorities	6
Decisions	30
Acceptances	27
Refusals	3
In Progress	28
Resubmissions under assessment	3
New submissions under assessment	12
Submissions currently being modified by operators for resubmission	13



Environment Plans as at 25 July 2012





Notes:

1. Chart represents assessment status as at 1 July 2012
2. Assessments without "in progress" bars are complete and accepted
3. * indicates activities for which additional time for notification agreed with the operator to allow for complex assessment and/or operator's



Regulation 11(1)(b) – **demonstrates** that environmental impacts and risks of the activity will be reduced to as low as reasonably practicable (**ALARP**)

- On commencement - 1 January 2012:
 - Limited demonstration of ALARP
 - Confusion with demonstration of acceptable levels
- 6 months after commencement - now:
 - Methodologies
 - Options analysis/cost benefit analysis/hierarchy of controls
- The future:
 - Refinement and fine-tuning
 - Consideration and better use of existing studies and information

- Regulation 11(1)(d) – provides for **appropriate** environmental performance **objectives**, environmental performance **standards** and measurement **criteria**
- On commencement - 1 January 2012:
 - Not specific
 - Not measurable
- 6 months after commencement - now:
 - Often measurable and specific
 - Confusion regarding standards and measurement criteria
- The future:
 - SMART
 - Receiving environment

Regulation 11(1)(f) – **demonstrates** the operator has carried out consultation with **relevant persons**

- On commencement - 1 January 2012:
 - Brief description of consultation
- 6 months after commencement - now:
 - Summary
 - Generally contains an assessment of merit
 - Full text of responses
- The future:
 - Strategic engagement



Offshore Petroleum and Greenhouse Gas Storage Act 2006

- Section 646 – Function of NOPSEMA
 - Develop and implement effective monitoring and enforcement strategies
- Section 600 – Appointment of petroleum project inspectors
- Section 601 – Monitoring powers of petroleum project inspectors

NOPSEMA Policy and Procedures

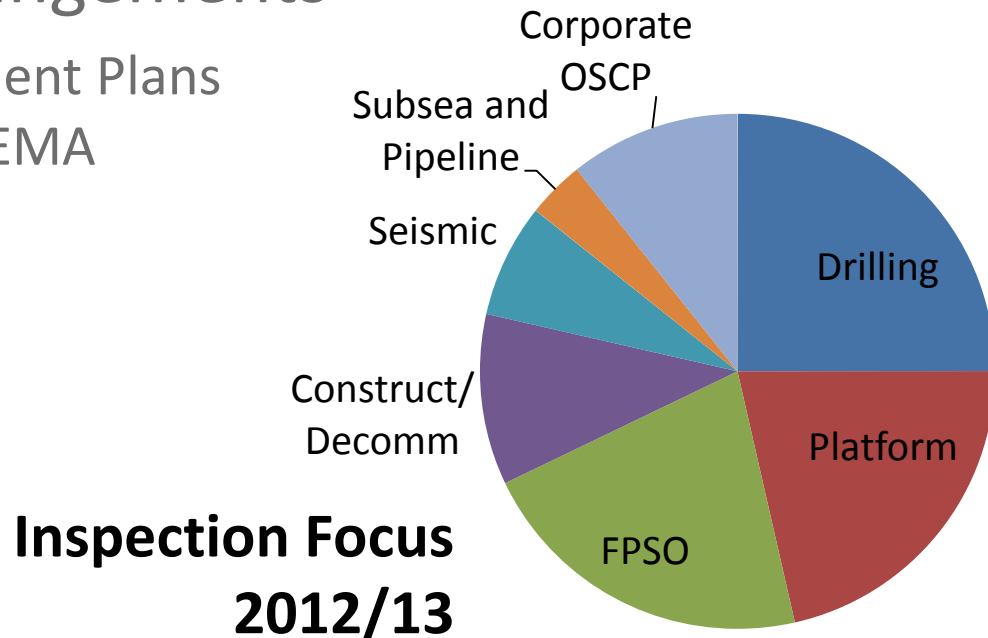
- Professional and independent regulator
- Details environmental management inspection principles
- Inspection types: *planned* and *other*
- Provision of inspection briefs and reports
- Sampled and team based approach to inspections
- Inspection findings will be based on documents found during the inspection

- **Program**

- Initially only 4 Inspections have been confirmed in the program
- 2012/13 target: 18-25 different activities inspections
- Long term inspection target of 40 to 60 activities

- **Transitional Arrangements**

- Prioritise Environment Plans accepted by NOPSEMA for inclusion in the annual program



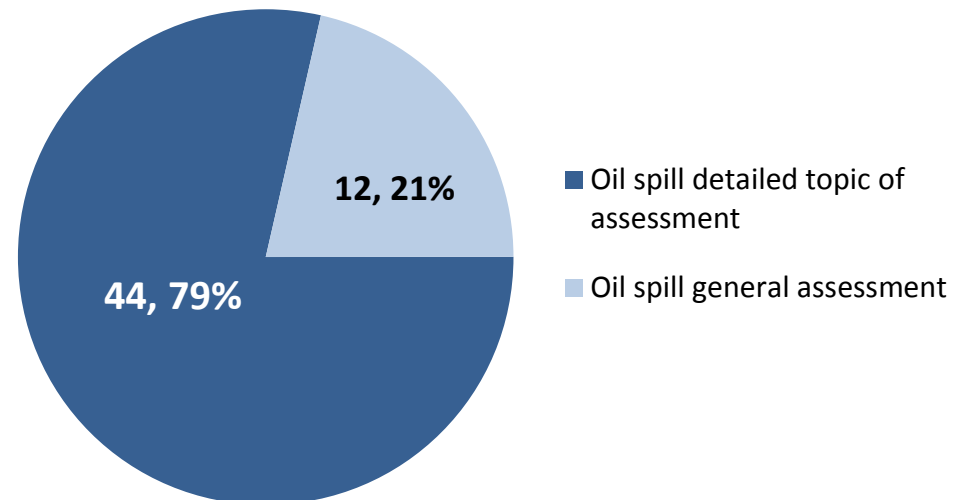


Spill Assessment



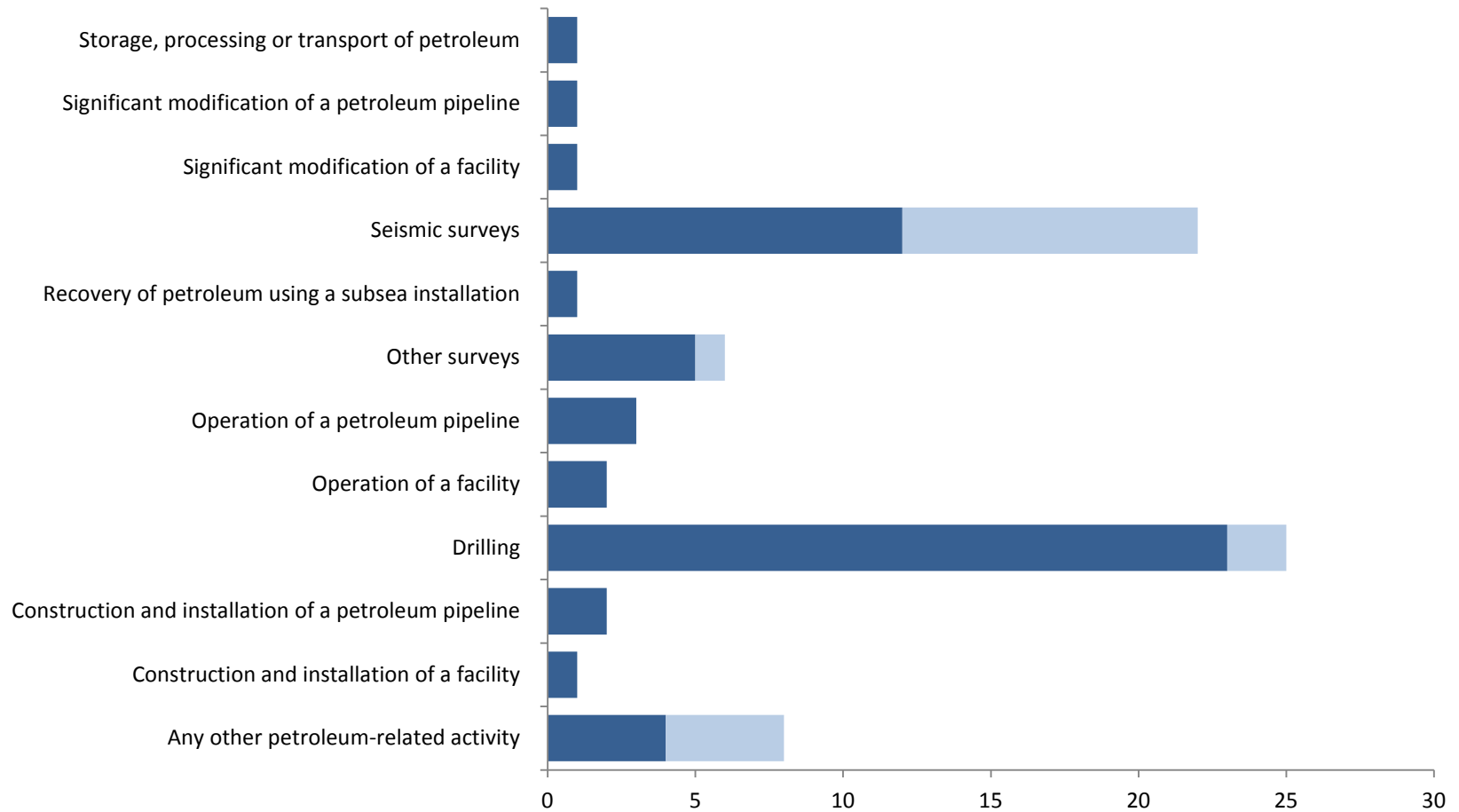
- **Assessments**
 - 56 Environment Plans to 20 July
 - All required some degree of OSCP assessment
 - 44 included an oil spill detailed assessment topic

Environment Plan Assessments



Environment Plan Assessment by Activity Type

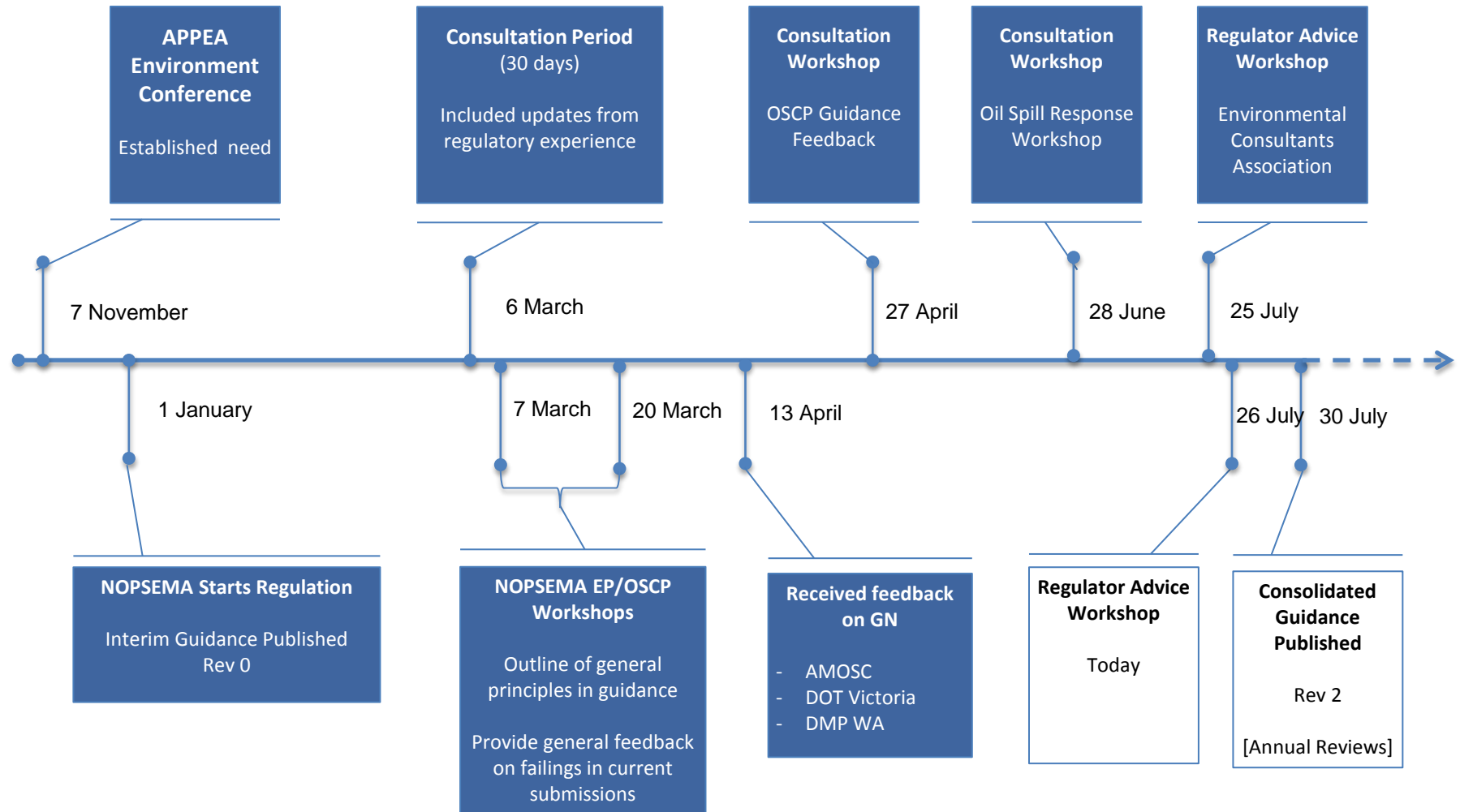
■ Oil spill detailed topic of assessment
 ■ Oil spill general assessment



NOPSEMA's Engagement with the National Plan

- On commencement - 1 January 2012:
 - Limited integration of offshore petroleum with the National Plan
 - Lack of consultation between operators and OSROs
- 6 months after commencement - now:
 - Explanatory note published
 - OSCP Guidance
- The future:
 - National Plan Review

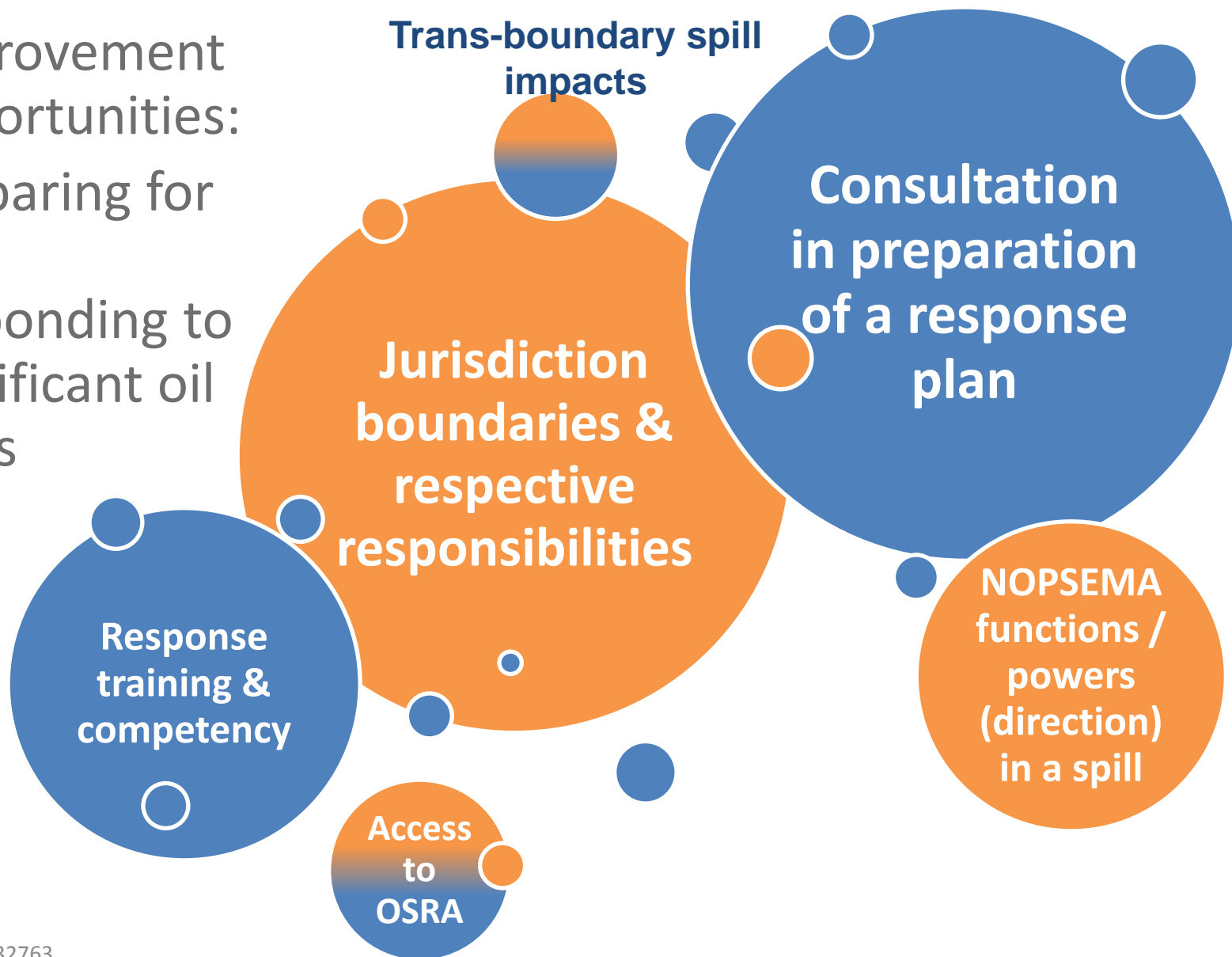
Spill Assessment engagement timeline



Preparing for and responding to significant oil spills

Focus Area A: Response Framework
Division of Responsibility and Jurisdictional Boundaries
Trans-boundary Spill Impacts
Organisational Arrangements & Response Structures
Transitional Arrangements (escalation)
Focus Area B: Communication and Consultation in a Response
Consultation in preparation to respond
Consultation during a response
Response Communication and Information Management
Role of Industry Advisor
Focus Area C: Coordination of Resources in a response situation
Oil Spill Response Training and Competence
Equipment availability
Access to OSRA
Financial Arrangements
Waste Management
Focus Area D: Regulatory Matters
EPBC Act exemption
NOPSEMA key functions during a response and Significant Incident Directions
Oiled Wildlife Response Plan

Improvement opportunities:
Preparing for and responding to significant oil spills



- Observed improvement in the quality of submissions
- Positive feedback from OSROs

- Oil spill activities to be considered as part of the activity
- Description of the environment that may be impacted
- Objectives/Standards/M Measurement Criteria
- Implementation strategy
- Stakeholder consultation
- Compliance is with the whole submission not just the EP



‘ensure all appropriate measures are taken to prepare for and respond to an oil pollution incident from offshore petroleum activities’

- National Plan Review
- SpillCon 2013
- Oil Spill Preparedness and Response Forum



Monitoring and Analysis

- Monitoring and Analysis team established 1 January, 2012:
 - Includes 5 multi-disciplined environment specialists
- Involvement in all legislated functions
- Focus on technical aspects of EP and OSCP

- **Baseline studies and modelling**
- **Environmental impact assessment**
- **Environmental monitoring**
- **Continual improvement**
- **Principles of Ecologically Sustainable Development**

Environmental objectives, standards and measurement criteria relating to the receiving environment starting to appear in EPs

Environmental monitoring design allowing impacts to be detected; and their extent, severity and duration determined in some cases

Pre-planning for operational monitoring, as well as scientific monitoring in the event of a oil spill starting to occur

Monitoring Challenges and Opportunities

Challenges

No prescriptive requirement for how monitoring should be addressed

Determining the extent of monitoring warranted

Gaps in regional baseline environmental data

Demonstrating risks and impacts are acceptable

Relating objectives to protection of the receiving environment

Demonstrating environmental objectives can be met

Limited data sharing and lessons learnt



Opportunities

No prescriptive requirement for how monitoring should be addressed

Flexibility to demonstrate an appropriate level is achieved

Industry collaboration at regional level

Reduce operator requirements for monitoring

Increase regulator and stakeholder confidence

Results in accepted and achievable approaches

Greater transparency and less duplication of effort

Consider potential role of environmental impact monitoring

- Measurement criteria – have the objectives proposed been met and are principles of ESD supported?
- Assisting to demonstrate impacts and risks are acceptable
- Also consider actions in response to monitoring results

Demonstrate how monitoring proposed is appropriate... reasoned and supported arguments

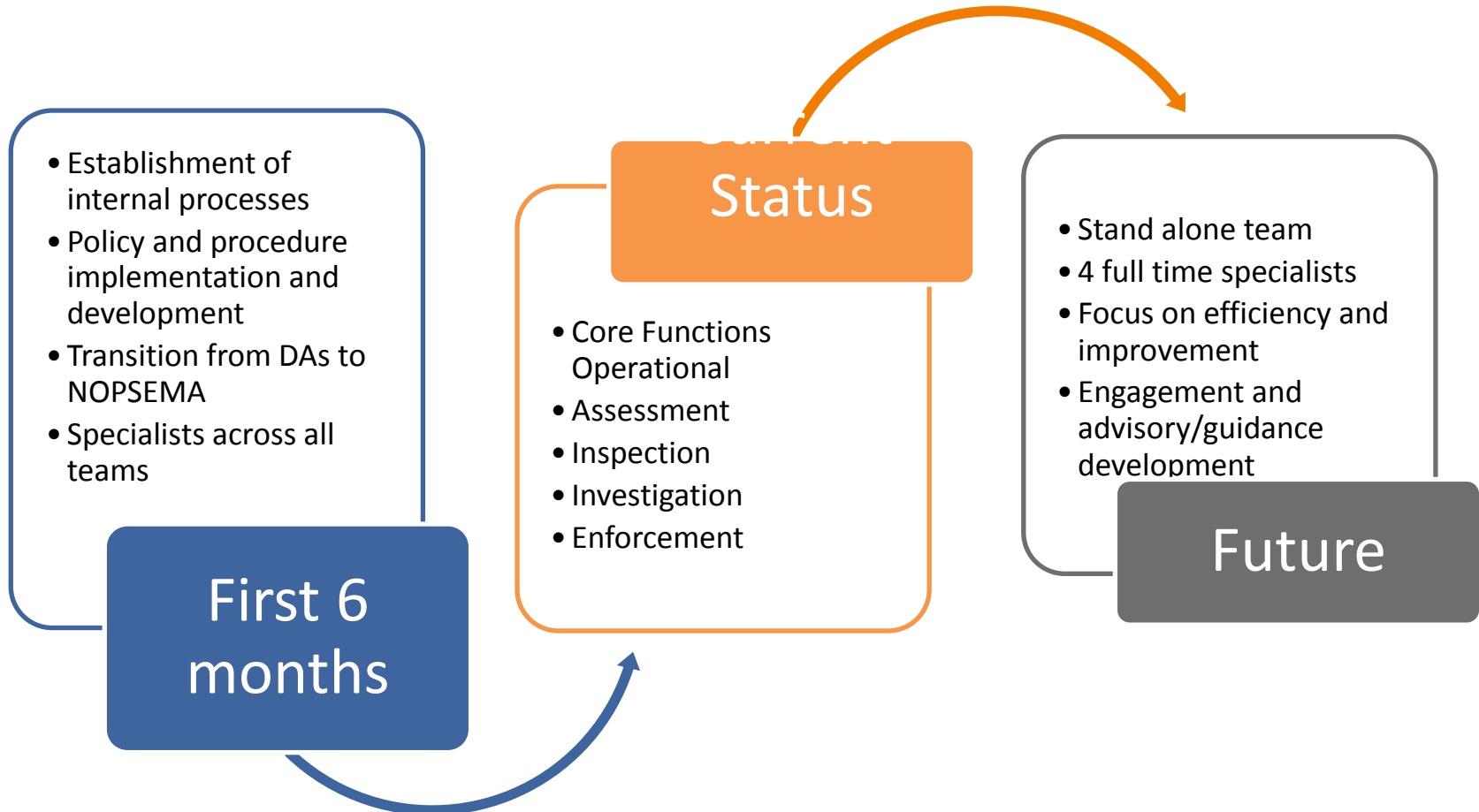
- How thresholds for change are established and used?
- How is source monitoring related to receiving environment impacts?
- Why monitoring may not be required

Ensure it's achievable

- Within timeframe
- Will it be able to measure impacts at appropriate power?
- Will it be able to demonstrate that objectives were met?

- Develop guidance notes for:
 - Off the Shelf Monitoring Program (OSMP)
 - Baseline and environmental monitoring
- Industry engagement – focus groups
 - Environmental monitoring – standardisation of techniques and metadata
 - Collaboration with other operators and research agencies for regional studies and response preparedness
- Advice – presentations, operator liaison meetings and Regulator articles
- Inspections

Implementation and Regulatory Guidance





Operator liaison meetings

Operator regulatory clarification meetings

Operator liaison on decisions

Ad-hoc advice requests (email and phone)

Policies and Guidance Notes

NOPSEMA decisions feedback

Industry performance reporting

Regulatory

Industry briefings

Other stakeholder briefings

Industry env mgt workshop program

APPEA committees and quarterly liaison

High level operator liaison

CEO delegation briefings

The Regulator newsletter and other publications

Alerts

NOPSEMA feedback/complaints

Non Regulatory

Key issues working groups (Co-lead or participate)

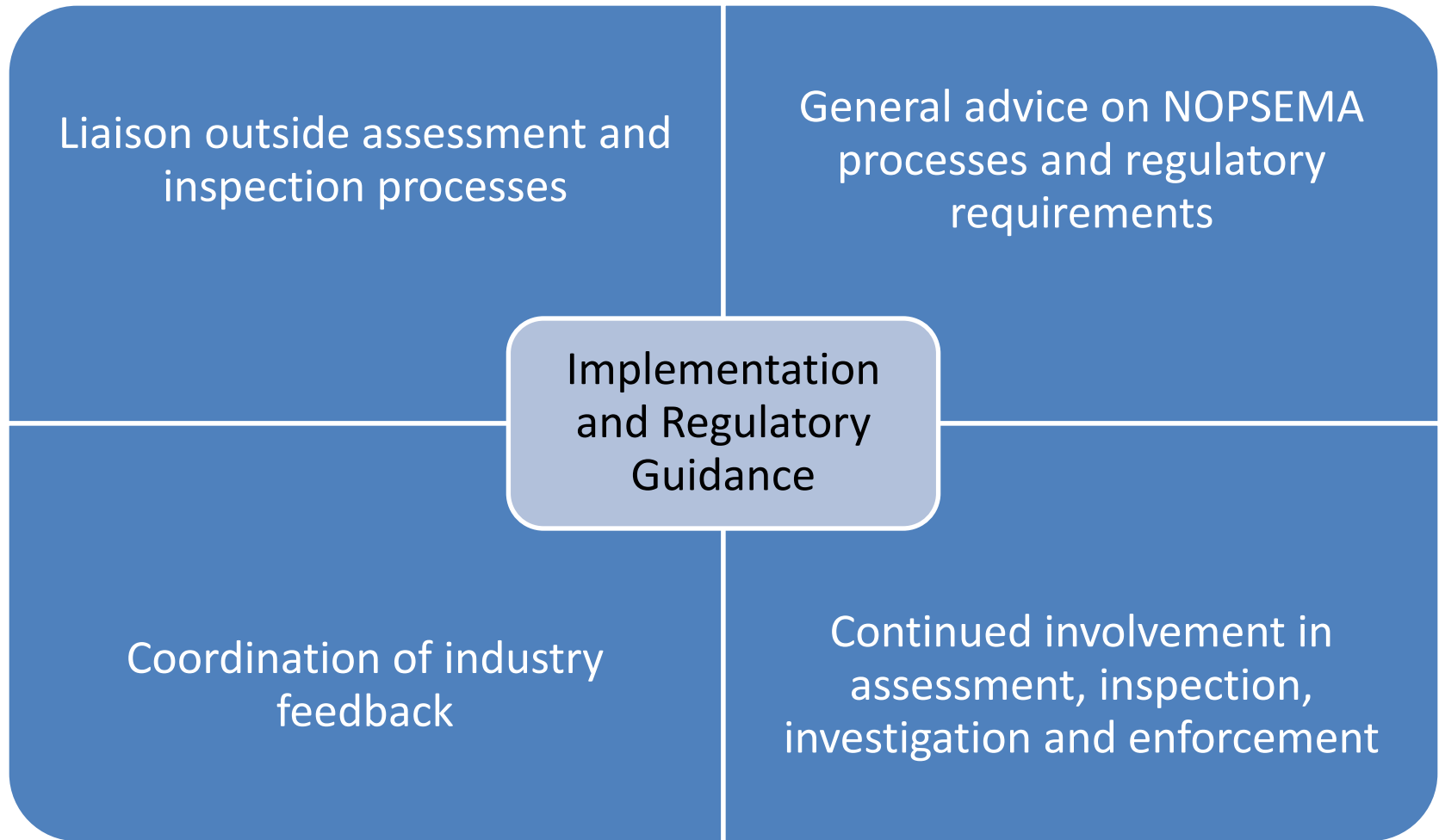
Input / review to APPEA guidelines and standards

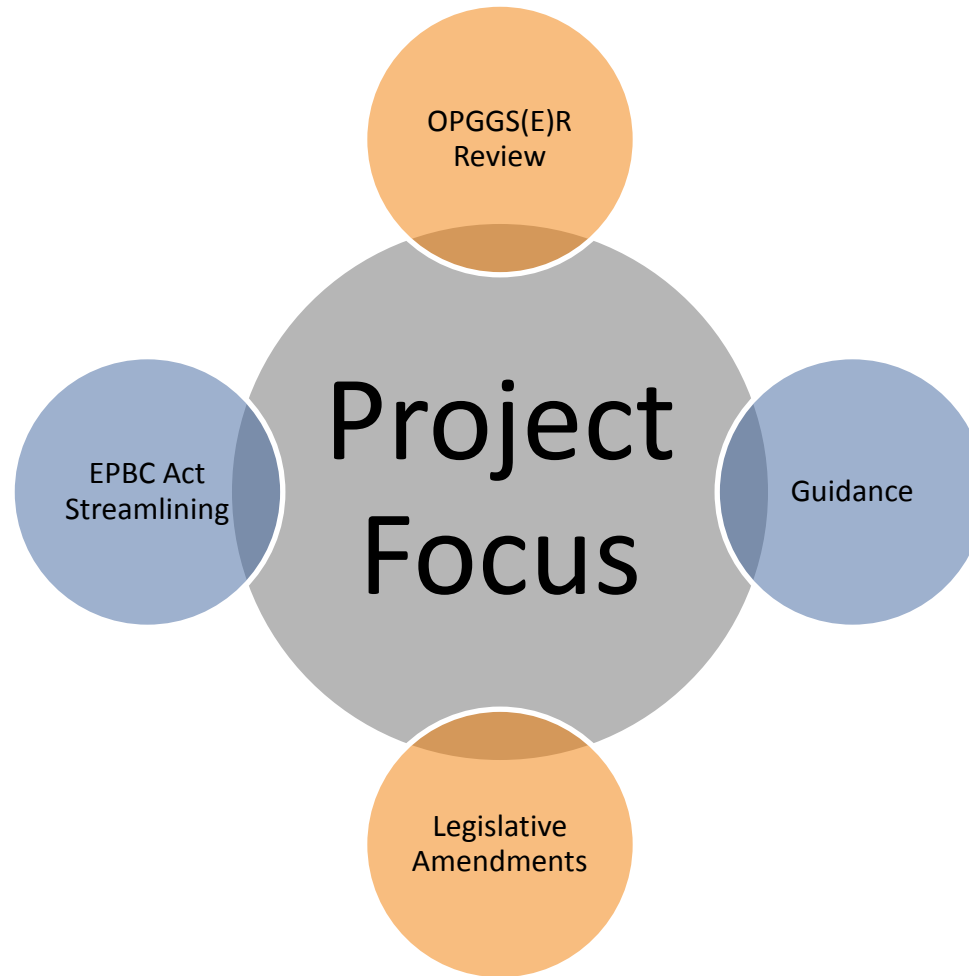
Regulators forums (APRF, IRF, IOPER and AELERT)

Conference and seminar participation

Regulation review reference group

External Opportunities







- First major review in 12 years
- Headed by the Department of Resources, Energy and Tourism (RET)
- NOPSEMA provide specialist technical input
- Industry comments coordinated through APPEA
- NOPSEMA will coordinate a workshop in August to collate and provide industry input to RET
- Terms of reference finalised and issues paper currently under draft

Drivers

- Productivity Commission
- Montara Commission
- Hawke Review

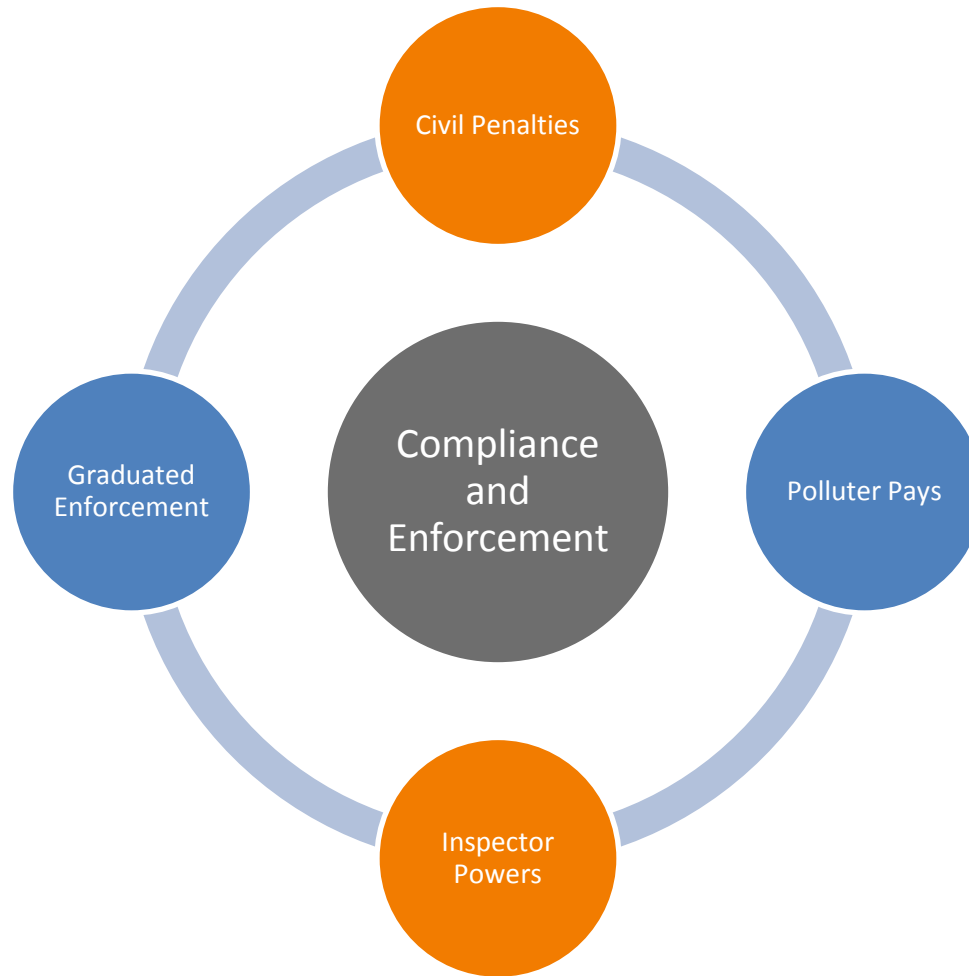
Process

- Liaison with SEWPaC and RET
- Administrative streamlining
- Statutory streamlining

Outcomes

- Reduction in duplication
- Single regulator with industry focus
- Improved environmental and compliance outcomes

- Additional guidance on the environment plan regime under preparation
- Interim Environment Plan Preparation guidance note is being updated
- Will ultimately be replaced by a suite of guidance notes
- NOPSEMA is restructuring guidance notes to better reflect regulations
- Guidance will not be ‘prescription by stealth’



Any Questions?